

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Vitarich Laboratories Inc

Florida Manufacturing Extension Partnership

The Recommended Daily Allowance of Lean Equals Healthier Process Flows for Nutritional Supplement Manufacturer

Client Profile:

Vitarich Laboratories is a manufacturer of nutraceuticals or nutritional supplements, which they produce in capsule, tablet, liquid and powdered form. The 13-year-old company, located in Naples, Florida, employs 90 people. Of 7500 similar facilities, Vitarich is proud to be one of only 60 in the U.S. who carry the specific cGMP cleanliness certification enabling them to produce some of their specialized supplements.

Situation:

Vitarich's Executive Vice President, Craig Walldinger, knew that his company needed more structure and a better way to do things in general. The cGMP certification was instrumental in Vitarich's growth, but with growth came growing pains that management knew they needed to overcome. Dave Ferguson of the Florida Manufacturing Extension Partnership (Florida MEP) a NIST MEP network affiliate, sent the company an introductory letter with an invitation to discuss the Florida MEP and what assistance MEP would be able to offer Vitarich. Dave, along with Henry Miller and Jerry Nelligan of the Florida MEP, observed, assessed and recommended ways that the MEP and their resource could be put to use at Vitarich. Their main course of action was to streamline processes. Vitarich is spread out over four buildings which creates gaps in the system flow. The company needed assistance with processes in shipping, production, and packaging - just about every area throughout all buildings of the plant.

Solution:

Florida MEP's Dave Ferguson, assisted Vitarich in obtaining some grant funding through the Workforce Development Council to offset half of the costs. As the project progressed, Dave was able to bring in some additional funding through a Community Awareness and Investment Program (CAIP) grant. The CAIP program, an affiliate of the North American Development Bank (NADBank), was designed to encourage and foster economic opportunity and to help create or retain jobs in communities that had experienced temporary job displacements due to the implementation of the North American Free Trade Agreement.

After some initial training to introduce the Vitarich staff to Lean, the Florida MEP team focused on facilitating problem solving sessions on the various processes throughout the manufacturing facilities as well as in the area of paperwork flow. Value stream mapping the processes allowed the participants to visualize what they currently had in place, find the "disconnects" or areas that could be improved upon, and determine the course of action needed to reach the desired future state. Next, Kaizens, or rapid improvement events, were performed with Vitarich teams to make significant improvements in problem areas. Vitarich has continued to use the Kaizen approach methodology not only for increasing process efficiency, but for finding better ways to communicate between departments. Dave Ferguson oversaw a new physical plant layout, and the workforce is finding it much more efficient. Henry Miller

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

focused on purchasing systems and inventory with equally positive results. Vitarich employees also mentioned the extreme dedication and patience of the Florida MEP staff members during some transitional times when it was often necessary to put projects on hold mid-stream. The Florida MEP team was able to help new management get up to speed on training and to show them the benefits of staying the course with Lean.

Florida MEP has been asked to do more work at Vitarich. Dave Ferguson is currently assisting the company in obtaining additional grant funding for a new project which will involve the use of Lean principles to develop a Lean plant layout for a new facility. Dave has also set Vitarich up in a program to help them identify potential government contract work.

Results:

- * Received training in Lean principles thru a series of hands-on manufacturing simulations, Value Stream Mapping and Kaizen events.
- * Reduced production and travel time.
- * Redirected work flow and streamlined product movement.
- * Resolved paperwork flow issues.
- * Estimated 15 to 20 percent increase in productivity.
- * Cost savings in excess of \$200,000.
- * Anticipated sales increase of over \$2 million in 2006.

Testimonial:

"The experience of working with Dave and his crew (Henry Miller and Jerry Nelligan) of Florida MEP has been a very, very good one. Some grant frustrations gave us some trouble at the beginning but were resolved. The MEP team tried to keep us (Vitarich) focused on achieving the goals that we had determined at our initial meeting. and that has not always been easy. We have developed a rapport now. It feels like Dave is one of us and can come in and tell us what has to be done and when. And we know we need to do what he says because it works."

Craig Walldinger, Executive Vice President